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Recertification Update

October 11, 1999

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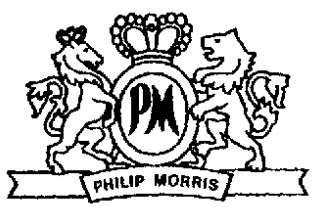
PHILIP MORRIS



Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Meeting Purpose

- Provide the most recent information on recertification and how it relates to Brand initiatives
- Discuss any issues or questions you may have

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Agenda

- The current landscape
- Recertification vocabulary
- Including recertification in Brand initiatives
- The language itself
- Who pays for what?
- Next steps
- Where to go for information

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The Current Landscape

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What does the Master Settlement Agreement (MSA) say?

- "No Participating Manufacturer may provide . . . without sufficient proof that such person is an Adult, any item in exchange for the purchase of Tobacco Products, or the furnishing of credits, proofs-of-purchase, or coupons with respect to such a purchase. . . .A driver's license or other government-issued identification (or legible photocopy thereof), the validity of which is certified by the person to whom the item is provided, shall by itself be deemed to be a sufficient form of proof of age . . ."

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What is the policy of Philip Morris?

MSA

- To be compliant with the MSA, Philip Morris will require that any smoker wishing to receive continuity in exchange for a purchase must first provide a copy of a valid government-issued ID

Recertification

- Additionally:
  - Philip Morris will request a copy of ID from key segments of smokers already on the database
  - Philip Morris will require a copy of ID before adding any new names to our Available Qualified database
  - Philip Morris will require a copy of ID before fulfillng a bounceback offer

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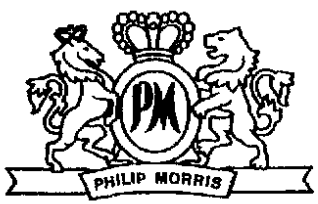
Recertification Vocabulary



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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Some terms to know

- GIID (Government Issued Identification)
  - A driver's license or other ID issued by a government entity that contains:
    - » name
    - » address
    - » DOB
    - » signature
- RFID (Request for ID)
  - Language that *requests* a copy of ID from smokers
    - » Example: Smokers already on database

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Some terms to know

- ID-Required
  - Language that *requires* a copy of ID from smokers
    - » Examples: Continuity, requalification of new names, bounceback offers
- Notify
  - Language used when including RFID or ID-required language is not feasible due to space limitations
    - » Examples: FSIs, retail sleeves, Catalina with no offer

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Why isn't ID-Required language used for everyone?

- At this time, smokers who are already on the database, having certified they are smokers 21+, can continue to be sent coupons by Brands, provided a signature and DOB are on file
- Therefore, it is not correct to tell them that they won't receive future mailings from Brands without a copy of their ID
- Still want to proactively *request* ID
- Goal is to have ID from everyone ASAP

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Including Recertification in Brand Initiatives

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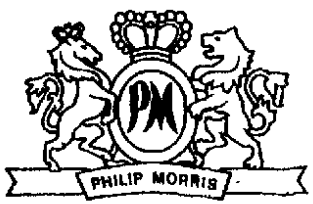
What communications need recertification language?

- Ideally, all of them
  - Helps ensure future access to smokers on database
  - Builds awareness
  - Makes eventual compliance by the consumer more likely
- However, unique circumstances of some direct initiatives will necessitate some flexibility
- For now, here's what is mandatory:



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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What communications need recertification language?

- Branded direct mail initiatives mailed from database
  - Examples: Coupon mailing, direct mail surveys
  - Must include a RFID
    - » Can be stand-alone piece within communication
  - RFID only needs to be included once within a mailing

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What communications need recertification language?

- Continuity
  - Must include ID-Required language
  - If other components in mailing, ID-Required language should be part of continuity piece
    - » Additional ID language not needed

      Examples: Reminder mailings
  - Does not include additional incentive for submission of ID

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What communications need recertification language?

- Name generation efforts with a bounceback offer
  - Must include ID-Required language
  - Does not include additional incentive for ID
  - No new names will be added to database or become available for mailing unless valid ID is submitted or already on file
  - Examples: On-product survey with lighter offer
  - Bounceback will not be fulfilled to new or existing names without ID

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What communications need recertification language?

- Name generation efforts without a bounceback offer
  - Examples: Catalina without offer, FSIs, retail sleeves, pack inserts, RAF surveys
  - ID language is <u>not</u> required in initial communication
    - » If wish to include, should be ID-Required
  - Instead, the following <u>Notify</u> language must be used:
    - » To facilitate participation in future programs, we are requesting that smokers age 21 or older provide a copy of valid government-issued ID as further proof of age. Call 1-XXX-XXX-XXXX for details.

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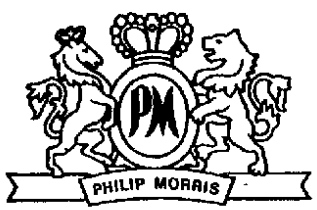
Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What communications need recertification language?

- Name generation efforts without a bounceback offer, *cont.*
  - On each 800#, smokers will hear an option to leave their name and address to receive a "proof-of-age" mailing
    - » Will receive a Preferred smoker survey with ID-required language
    - » No incentive offered for ID submission
  - Outgoing mailing produced and funded by PM Corporate



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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What communications need recertification language?

- Name generation efforts without a bounceback offer, *cont.*
  - If smoker does not call toll-free number:
    - » All respondents to the name gen piece will be loaded to database; new names will be identified and held (will <u>not</u> be mailed)
    - » Brands must send new names a recertification mailing with ID required language offering free pack coupon as incentive
    - » Only those names that respond and comply with the recertification mailing will be eligible for future offers (become A/Q)
    - » Outgoing mailing and fulfillment created and produced by Brands and funded by PM Corporate

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What communications need recertification language?

- Some specifics about sweepstakes
  - Sending in a copy of ID is not a requirement for entry
  - Media and Retail sweeps initiatives follow the general rules of Name Generation without a Bounceback
    - » Include notify language
    - » May change if/when DL Blair can perform ID validation process
    - » Direct mail sweeps entry should request ID separately
    - » Add-Me to Your Mailing list check box no longer necessary
    - » Smokers to return entry and ID information together

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What communications need recertification language?

- Events
  - Visual validation of ID still in effect
  - AD box now replaced by Name/Address exceptions box
  - Add Me to Your Mailing List checkbox is no longer necessary
  - Copying ID at events will be required as soon as technology is in place

A All names are collected can be mailed

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

The Language Itself

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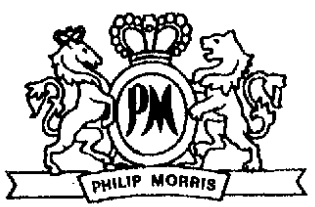

Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

How do we know what language to use?

- To help ensure consistency across communications, the following templates have been created:
  - RFID
  - ID-Required
  - Continuity w/ID-Required
  - Cut & Paste Areas:
    - » required on continuity
    - » preferred on all others

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

How should we use the templates?

- Headline, initial paragraph provide opportunities for message to be "personalized" by Brand
- Directional copy may need to be adjusted to fit a particular layout (e.g., "above" vs. "below")
- Program offer expiration date will vary (3 months from in-market)
- Privacy Policy address will also differ by Brand
  - Marlboro/Corporate: Philip Morris USA, P.O. Box 66114, London, KY 40742-6114
  - OPB&D: Philip Morris USA, P.O. Box 8005, Dover, DE 19905-8005

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

How should we use the templates?

- Other than these areas, best approach is to treat the language like a legal requirement--don't alter it!
  - Goal is consistency across all communications
  - To standardize the process and ensure consistency and compliance, Direct Marketing, Fulfillment, and Legal will review and approve all comps and keylines

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Does our layout have to match the template?

- No, while the language of the template should stay the same, *placement* of the language may vary depending on space and format
- However, use the template as a guide and make sure that the layout is as clear and easy-to-follow as possible
  - Formatted so that smoker sends back all necessary components

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

If we don't change any copy, can we add a headline to make it easier?

- Precedent has been set for this, so it is possible
  - However, headlines or other copy should only be used to guide consumers through process
  - May also want to add copy that tells consumers how to return information
    - » "Return your completed form and copy of your ID in the enclosed postage-paid envelope"

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What if we want to include survey questions?

- To ensure consistent information for the database, smoker survey questions have been standardized
- Three options for surveys: 1, 7, or 15 questions
  - *All* questions in each version must be used, *in order*
  - Lifestyle questions can be added at the end of the options

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What if we want to include survey questions?

- If a survey is used, "regular brand" question on ID template is no longer necessary
- Space permitting, may want to replace shorter "regular brand" question from ID template with Question 1 from new survey template
- Increases likelihood of obtaining more information

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Can we use the image of a license from a different state?

- Yes, as long as the license shows *all* information on the front
  - Name, address, date of birth, and signature
- Check with Direct group first
- Providing an image of a license is preferred. If an image is not used, language/copy must be enhanced to clearly communicate valid forms of ID

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What if our ID form can't be personalized?

- Strongly recommend that it be pre-printed on piece that is returned
  - Provides a much clearer link back to database
- Peel-and-stick labels would be second choice
  - Smoker affixes label to form
- Only use "write ins" for non-direct initiatives

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

How do consumers send their information back?

- Include a BRE that is large enough to hold the form, as well as two additional sheets of paper (for front and back ID copies)
- PM Fulfillment will be opening all boxes
  - Separate P.O. Box opened for each mailing
  - Brands must include BRE on greensheet
- P.O. Boxes will follow current Brand rules
  - Marlboro/Corporate--Image Entry
  - OPB&D--Client Logic

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

How do consumers send their information back?

- Include one of the following on the inside of the envelope flap of the BRE:

- **RFID**

  To take advantage of our offer, please enclose the completed form and a copy of your valid government-issued ID.

  ID-Required

  To receive your coupon, please be sure to enclose:

  - Your completed form
  - A copy of your ID

  We will not process this without a copy of your ID.

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

How does the incentive get fulfilled?

- Incentive is a free pack coupon (B1G1Free in UT, MN, and King County, WA)
  - Template includes following language so that offer versioning is not needed:
    - » Free pack coupon offer void in UT, MN, and King County, WA. Eligible consumers in these areas will instead receive a coupon good for one free pack of any style of (Brand Name) cigarettes when one pack is purchased.
    - » Brands are responsible for fulfillment creation and production (including envelope) at same time as offer creation

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

How does the incentive get fulfilled?

- Simple fulfillment to facilitate processing
  - Use the following specifications:
    - » Centrobe (Marlboro/Corporate):8-1/2" x 11" letter with up to three inserts, or 8-1/2" x 14" letter with coupon on bottom (pin-fed forms); standard #10 outer envelope with window and pre-printed First Class indicia
    - » Client Logic (OPB&D): 8 1/2 x 14 with coupon on bottom (individual sheets); standard #10 outer envelope with window
  - If prefer, can also provide a self-mailer that will be sent sealed to fulfillment center and affixed with a label
  - Fulfillment OE undeliverable addresses

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

How does the incentive get fulfilled?

- Both Free Pack and B1G1 versions will be needed
- Will be sent First Class mail
- Standard form can be created for multiple mailings
  - Coupon expiration dates should be 12/31/00.
- Materials due at fulfillment center at time of initial mailing drop
- Coupons will be serialized, but not OCR-coded

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Can the length of time for coupon delivery be shortened?

- A 16-18 week timeframe for coupon delivery is currently being used on the ID templates due to increased fulfillment quantities and potential Y2K issues
- However, this can be shortened to 10-12 weeks if all coupons are at fulfillment site when initial mailing drops
  - Check with PM Fulfillment prior to changing if mail quantity is large

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

How do we address smokers who have already sent us an ID copy?

- For the remainder of 1999, request/requirement language should be the same for all smokers
- Beginning in early 2000, Brands will be able to version communications to acknowledge past receipt of an ID copy

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What toll-free numbers should we use?

- On ID templates
  - "Please call 1-XXX-XXX-XXXX with any questions about providing a copy of your government-issued ID."
- And within Notify language, use the same Brand toll-free numbers:

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

What toll-free numbers should we use?

- Alpine: 1-800-238-8326
- Basic: 1-800-588-3999
- Benson & Hedges: 1-800-223-6766 (1-800 2 Benson)
- Cambridge: 1-800-335-7444
- Corporate: 1-800-959-8383
- Marlboro: 1-800-627-5267 (1-800 Marlboro)
- Merit: 1-800-884-5777
- Multibrand: 1-800-990-8222
- Parliament: 1-800-494-6444
- Virginia Slims: 1-800-868-9327 (1-800 To VWear)

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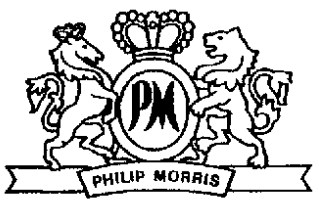
Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Who Pays for What?



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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Outbound ID communication

- Corporate will fund up to $0.15 per piece for incremental production costs related to recertification (e.g., extra panel, BRE) requests added to DM pieces sent to names already on database
- With other branded initiatives that generate new names, the Brand must fund creative and production costs. Corporate will absorb the back-end process. (production, keying and fulfillment of bounceback
- Finance will internally transfer funds from Corporate to Brand vertical budget

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

ID Fulfillment

- Corporate will fund redemption and fulfillment of ID incentive

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Next Steps

- Corporate will be completing a recertification "Best Practices" manual
  - Goals:
    - » Define "the voice of Philip Morris" for both Brand and Corporate recertification efforts
    - » Standardize recertification and other "necessary" language as appropriate for consistency and ease-of-use
    - » Maximize smoker comprehension and ease of compliance
  - Manual will be updated as Recertification continues to evolve

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Source: https://www.industrydocuments.ucsf.edu/docs/kfmn0004

Who should we go to with questions?

- Corporate Direct team first
  - Margie Codella (Ext. 3983)
  - Loren Kelley (Ext. 2351)
  - Helene Bolanos (Ext. 2868)
  - Vicki White (Ext. 3603)

  Corporate will discuss questions with Legal, Fulfillment, and other departments as necessary

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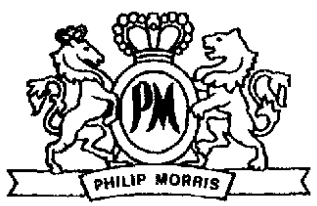

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Questions?

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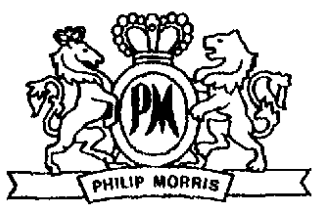

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